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Definitions

Calendar Year: The year beginning January 1st, and ending December 31st.

Cause Code: The code used to describe what caused the injury or occupational disease. The NCCI-DCI codes for cause are divided into nine categories. The ninth category, “All Other Claims, NOC (Not Otherwise Classified)”, was created to account for the records that did not have a cause code entered.

Burn or Exposure: Includes hot or cold objects, chemical, fire, welding, scalds, temperature exposure, and radiation.

Caught in or Between: Includes caught in or between machinery, an object being handled, and miscellaneous objects such as earth slides or collapsing buildings.

Puncture or Cut: Includes punctures, cuts, or scrapes as a result of broken glass, hand tools, utensils, power tools, appliances, or guns.

Fall, Slip, Trip: Includes falling from a different level or on the same level, ladder or scaffolding falls, slipping on liquid or grease, ice or snow slips and falls into openings.

Vehicle Related: Includes collisions with another vehicle or fixed object, rollovers, rough riding, and airplane, water vehicle or rail vehicle crashes.

Strain, Jump or Lift: Includes jumping, twisting, holding or carrying objects, lifting, pushing, pulling, reaching, overexertion, and throwing.

Hit Against or Step on Object: Includes moving machine parts, objects being lifted, sanding, or scraping operations, stationary objects, and stepping on sharp objects.

Struck by Object: Includes falling or flying objects, hand tools or machines in use, co-workers, or patients, motor vehicles, moving machine parts and objects handled by others.

All Other Claims, NOC: Includes animal and insect bites, explosions, foreign body in eye, injury or stress from an assault, and causes that occur over a period of time.

Absorption, injection or inhalation not otherwise classified; includes all records where cause was not reported on the First Report of Injury or where the code could not be converted to NCCI-DCI codes.

Employment Relations Division (ERD): The State of Montana’s regulatory agency for workers’ compensation. This division is part of the Department of Labor and Industry.

Fiscal Year: The State of Montana’s fiscal year, beginning July 1, and ending June 30 of the following year.

First Report of Injury (FROI): The initial report designed to notify parties of the occurrence of an injury or illness; contains basic claim information regarding the who, what and how of an occupational injury or illness.

Indemnity Payments: Payments made by the insurer to the injured worker to compensate for the loss of wages resulting from an injury or occupational disease.

International Association of Industrial Accident Boards and Commissions (IAIABC):

An organization of workers’ compensation specialists including government officials and regulators, business and labor leaders, medical providers, law firms, insurance carriers, and rehabilitation and safety experts. The organization provides access to information on current and developing workers’ compensation issues and standards.

Nature Code: The code used to describe the nature of the injury or occupational disease. The NCCI-DCI codes for nature are divided into eight categories. A ninth category “All Other Claims, NOC”, was created to account for the records that did not have a nature code entered.

Sprain or Rupture: Includes strains, dislocations, hernias, organ ruptures, and trauma to joints or muscles.

Bruise or Swelling: Includes contusions, broken blood vessels, and inflammation.

Cut or Abrasion: Includes slivers, lodged small objects, open wounds, scrapes, and needle sticks.

Fracture: Includes any breaking of a bone.

Occupational Disease: Includes repetitive motion, loss of hearing or sight, respiratory conditions, poisoning, mental disorders, radiation, heart disease, cancer, AIDS, carpal tunnel, and any disease resulting from work related experiences.

Amputation: Includes loss of a limb that involves bone, loss of part of an organ, enucleation, or severance of a body part.

Burn or Exposure: Includes electrical shocks, chemical burns, temperature extremes, freezing, sunburns, heat stroke, and lightning.

Multiple Injuries

All Other Claims, NOC: Includes asphyxiation, loss of circulation, infection, concussion, heart problems, vision loss, hearing loss, poisoning, fainting, no physical or psychological injuries; includes all records where nature code was reported as “unclassified”, the code was not reported on the First Report of Injury, or the code could not be converted to NCCI-DCI codes.

National Council on Compensation Insurance - Detailed Claim Information Codes (NCCI-DCI): A standard coding structure for Cause, Nature, and Part of Body established by compensation insurers and used by Montana. The use of a standard coding structure facilitates comparison of Montana’s workers’ compensation data with other states’ data.

Other Benefits Code: The code used to describe the other benefits paid to date or recovered for an injury or occupational disease. The following are NCCI-DCI code definitions:

Funeral Expenses Paid to Date: The amount paid for the funeral of the deceased employee.

Insurer Legal Expense Paid to Date: The amount paid by the insurer for the services of an attorney or authorized representative to defend against a proceeding brought under the Workers’ Compensation Law.

Claimant Legal Expense Paid to Date: The amount specified in the award or paid without an award by the employer or insurer for the fee of the claimant’s attorney or authorized representative.

Total Payments to Physicians: The amount paid to date to treating physician(s), including all clinic and office visits.

Hospital Costs Paid to Date: The paid to date costs of both inpatient and outpatient services which the injured employee received because of the work related injury.

Other Medical Paid to Date: All other paid to date medical costs not included in payments to physicians or hospital costs, i.e. laboratory tests, prescriptions.

Vocational Rehabilitation Evaluation Expense Paid to Date: The amount paid to date expenses for testing and evaluating the claimant’s ability, aptitude, or attitude in determining suitability for vocational rehabilitation or placement.

Vocational Rehabilitation Education Paid to Date: The paid to date training costs including tuition, books, tools, transportation and additional living expenses.

Other Vocational Rehabilitation Education Paid to Date: The amount paid for any other phases of the vocational rehabilitation program not reported in the other benefit types.

Vocational Rehabilitation Maintenance Benefit Paid to Date: The amount paid to date as a maintenance benefit while the claimant is participating in a vocational rehabilitation program.

Consultant/Expert Witness Fees Paid to Date by Insurer: The amount paid by the insurer in a legal proceeding for expert testimony or opinion.

Employer's Deductibles Recovery: Sum of monies recovered through Insured reimbursement of deductible amounts for a claim.

Subrogation Recovery: Sum of monies recovered through subrogation for a claim.

Overpayment Recovery: Sum of monies recovered due to overpayment of indemnity, medical or expenses for a claim.

Unspecified Recovery: Sum of monies recovered through salvage, apportionment/contribution, and all others not otherwise defined for a claim.

Part of Body Code: The code used to describe what caused the injury or occupational disease. The NCCI-DCI codes for part of body are divided into nine categories. A tenth category was reported as "All Other Claims, NOC", was created to account for the records that did not have a part of body code entered.

Head

Neck

Upper Extremity: Includes shoulder, elbow, upper arm, lower arm, hand, fingers and thumb; does not include hand and wrist or just wrist injuries.

Wrist: Includes hand and wrist or just wrist injuries.

Trunk: Includes chest, ribs, sternum, sacrum and coccyx, pelvis, spinal cord, internal organs, heart, lungs, buttocks and abdomen; does not include the upper or lower back, disc or lumbar and sacral vertebrae.

Back: Includes the upper and lower back, disc, or lumbar and sacral vertebrae.

Lower Extremity: Includes hip, upper leg, lower leg, ankle, foot and toe.

Knee

Multiple Parts: Includes multiple body parts or body systems.

All Other Claims, NOC: Includes all records where the part of body code was reported as "unclassified", the code was not reported on the First Report of Injury, or the code could not be converted to NCCI-DCI codes.

Occupational Injury: A cut, fracture, sprain, amputation, or other physical harm, which results from a work accident on a single day or during a single work shift.

Occupational Disease (OD): Harm or damage caused by work-related events that occur on more than a single day or work shift. It includes acute chronic illnesses or diseases caused by inhalation, absorption, ingestion, or overuse syndrome.

Permanent Partial Disability (PPD): Permanent impairment resulting from an injury, after achieving maximum medical improvement, that impairs the worker's ability to work and causes an actual wage loss.

Permanent Total Disability (PTD): A physical condition resulting from an injury or occupational disease, after achieving maximum medical improvement, in which the worker has no reasonable prospect of physically performing regular employment.

Plan Type: The type of workers' compensation insurance coverage chosen by an employer. There are three different types of insurance plans:

Plan 1: Self insurance provided by employers who have sufficient financial strength to cover potential workers' compensation claims. If an injury occurs, a self-insured employer will pay the expenses and benefits.

Plan 2: Insurance coverage provided by a private insurance company.

Plan 3: Insurance coverage provided by the State Compensation Insurance Fund (State Fund).

Standard Industrial Classification (SIC) Codes: Codes used to categorize employers by industry. The codes are published by the Federal Office of Management and Budget and can be found in the 1987 Standard Industrial Classification Manual. The codes are grouped into ten different industrial divisions, as listed below with examples of each division.

Agriculture, Forestry & Fishing (AFF): Includes establishments primarily engaged in agricultural production, forestry, commercial fishing, hunting, trapping, and related services.

Mining: Includes all establishments engaged in the extraction of minerals occurring naturally, and also includes quarrying, well operations, milling, and other preparation customarily done at the mine site, or as a part of mining activity. Exploration and development of mineral properties are included.

Construction: Includes establishments performing new work, additions, alterations, reconstruction, installations, and repairs. Three broad types of construction activity are covered: building construction by general contractors, heavy construction other than building by general contractors, and construction activity by other special trade contractors.

Manufacturing: Includes establishments engaged in the mechanical and chemical transformation of materials or substances into new products. These establishments are usually described as plants, factories, or mills and characteristically use power driven machines and materials handling equipment. Establishments engaged in assembling component parts of manufactured products are also considered manufacturing if the new product is neither a structure nor other fixed improvement. Also included is the blending of materials, such as lubricating oils, plastic resins, or liquors.

Transportation, Communication, and Public Utilities (TCPU): Includes establishments providing to the general public, or to other business enterprises, passenger and freight transportation, communications services, or electricity, gas, steam, water, or sanitary services, and all establishments of the United States Postal Service.

Wholesale Trade: Includes establishments or places of business primarily engaged in selling merchandise to retailers, to industrial, commercial, institutional, farm, construction contractors, or professional business users, or to other wholesale; or acting as agents or brokers in buying merchandise for or selling merchandise to such persons or companies.

Retail Trade: Includes establishments engaged in selling merchandise for personal or household consumption and rendering services incidental to the sale of the goods.

Finance, Insurance and Real Estate (FIRE): Finance includes depository institutions, non-depository credit institutions, holding companies, other investment companies, brokers and dealers in securities and commodity contracts, and security and commodity exchanges. Insurance covers carriers of all types of insurance, and insurance agents and brokers. Real estate includes owners, lessors, lessees, buyers, sellers, agents, and developers of real estate. Establishments primarily engaged in the construction of buildings for sale are classified in Construction.

Services: Includes establishments primarily engaged in providing a wide variety of services for individuals, business or government establishments, and other organizations such as, hotels and other lodging places; establishments providing personal, business,

repair, and amusement services; health, legal, engineering, and other professional services; educational institutions; and membership organizations.

Public Administration: Includes the executive, legislative, judicial, administrative and regulatory activities of federal, state and local governments.

Subsequent Report: A form which gathers information at specific intervals about the date benefit payments begin, paid amounts by benefit type, and case progress information.

Temporary Partial Disability (TPD): A physical condition resulting from an injury, prior to achieving maximum medical improvement, that causes a partial loss of wages.

Temporary Total Disability (TTD): A physical condition resulting from an injury or occupational disease, prior to achieving maximum medical improvement, that causes a total loss of wages.

Methodology

Occupational Disease and Injury Data

All injury data included in this report are gathered from the First Report of Injury. The form is completed and submitted to the Employment Relations Division (ERD) by employees, employers, or insurers. The form includes only six mandatory fields. Non-mandatory fields such as gender, birth date, and hire date were often left blank. Limiting the number of mandatory fields was the balance achieved to ensure the value of the information was commensurate with the cost of collection. Because this report uses non-mandatory data, the term “unknown” frequently appears as a category. Subcategories shown in the various tables may not add up to the total number of records because inaccurate or missing data were omitted.

This report includes all injuries reported to ERD. However, all injuries occurring in Montana may not have been reported.

ERD accesses State Fund injury data electronically. Currently the data received from State Fund contain several “unknown” fields because State Fund is either not yet completing these fields or the current data interchange does not process these fields.

Year to Year Comparisons

Whenever possible the data is presented with a comparison between FY96, FY97, and FY98.

Subsequent Report Data

Plans 1, 2 and UEF only:

All payment and duration data included in the Subsequent Report sections of this report are gathered from the Subsequent Report or settlement petitions approved by ERD. The Subsequent Report form is completed for each individual indemnity claim and submitted to the Employment Relations Division (ERD) by adjusters or insurers. The form includes 38 fields such as claimant identification information, status of the claim, type of benefits paid, benefit payment amounts and duration of benefits.

State Fund only:

All payment and duration data included in the Subsequent Report section of this report were gathered from a special report prepared by the State Fund. ERD requested from the State Fund the same information available from the database for Plans 1, 2 and UEF. The information provided from the State Fund was received on an aggregate basis rather than an individual claim basis. The State Fund was not reporting the information on an individual claim basis. The State Fund is expected to report individual claim data electronically in the near future.

All insurers:

The information received from the subsequent report and settlement petitions was combined. The payment and duration information contained in this report represents the average reported on indemnity claims only. Payments made on medical only claims are not included in the averages. To allow for comparison, whenever possible the information is grouped by type of disability, type of benefit payment, and date of injury or occupational disease.

The data includes information reported to ERD on injury and occupational disease claims closed or settled in FY98. Subsequent reports may not have been submitted to ERD for all indemnity claims.

Because this is the first year Montana workers' compensation subsequent report data has been collected in the new database, and the data presented represents only closed and settled claims from one fiscal year, no historical information is available to identify trends, cost drivers, or changes in the workers' compensation system.

Industry Divisions

To allow for comparison, whenever possible the information is grouped by industry division. Standard Industrial Classification (SIC) Codes are used for this purpose. The SIC information is not reported to ERD and was obtained from other resources. Receiving this data from outside resources was unreliable at times. Consequently, the SIC Codes are missing in several places and are marked as "NOC - Not Otherwise Classified" on the graphs.

Data Sources

Workers' Compensation Database

The database system was built at the request of the legislature to provide management information. Employers, insurers, attorneys, medical providers, and other parties of the workers' compensation community in Montana provide data for the system.

Hearings Bureau

The Department of Labor and Industry, Hearings Bureau provided contested Case Hearings data.

Workers' Compensation Court

Workers' Compensation Court data were provided by the Court which is administratively attached to the Department of Labor and Industry.

Department of Labor and Industry, Workers' Compensation Regulation Bureau

The Workers' Compensation Regulation Bureau provided data for the following sections of the report: Plan 1 Gross Annual Payroll, Plan 2 and 3 premium dollars, Professional Employer Organizations (PEOs), Indemnity and Medical Benefits, Subsequent Injury Fund, and Managed Care Organizations (MCOs).

Department of Labor and Industry, Mediation Unit

Mediation section data were provided by the Mediation Unit of the Employment Relations Division from the unit's database.

Department of Labor and Industry, Safety Bureau

Safety section data were provided by the Safety Bureau of the Employment Relations Division from the unit's database.

State Fund

The data for the Subsequent Report section of this report related to Plan 3 claims were provided by the State Fund.

Administrative Assessment Report

Cost of regulatory functions data were provided by ERD's Administrative Assessment Reports beginning with fiscal year 1996 through fiscal year 1998.

Future Annual Report

In the coming years, the Montana Workers' Compensation Annual Report from the Department of Labor and Industry will continue to expand and will begin to yield the kind of data decision-makers will need to effectively manage the workers' compensation system.

As more and more states begin the process of compiling their own data using International Association of Industrial Accident Boards and Commissions (IAIABC) standards, the Employment Relations Division will begin comparing the performance of Montana's system with that of neighboring states and across the nation.

To request additional copies of this annual report, please contact:

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Supplemental Reference

A supplement is available from the Department of Labor & Industry. Settlement Attorney Fees for Fiscal Year 1998 provides detailed settlement attorney fee data. To request a copy of this supplement, contact:

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